



Effectively implementing the Airport Charges Directive "NOW"

Workshop University of Rome "Tor Vergata"
13th March 2009

Athar Husain Khan
General Manager Infrastructure

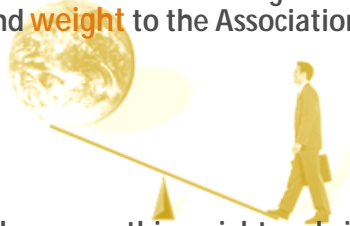
Workshop on Airport Charges – Tor Vergata, 13 March 2009 / Slide - 1



The Association of European Airlines



AEA member airlines' brands give **credibility** and **weight** to the Association...



AEA leverages this weight and gives it back, **multiplied**, to each individual member.

34 member airlines
369 million passengers
11,500 flights a day
605 destinations in 161 countries
7 million tonnes of cargo
422,000 employees
Total turnover of €78 billion



ACD addresses a structural problem structurally



- *This time the EU institutions adopted a balanced proposal which, while by no means ideal, is an important first step in remedying this situation”.*
- *The Directive [...] would place on the airports an obligation to consult with their airline customers, to provide transparency in their pricing calculations, and subject them to the jurisdiction of an independent national regulator; these principles would be applied throughout the European Union on the larger airports and thereby increase the pressure on all key airports to become cost efficient.*
- *Unfortunately, the new rules will not be available to redress the current situation. “This legislation will have to be transposed into national law – within two years”*
- *It puts a premium on efficiency, to the benefit of both sectors and of the travelling public. It will make air transport more resistant to external shocks and economic downturns – something which, as the present crisis is demonstrating, is very much lacking right now”.*

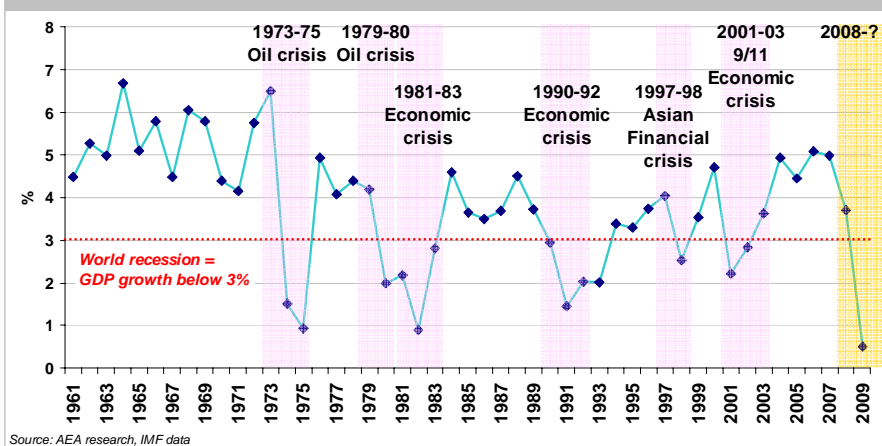
Workshop on Airport Charges – Tor Vergata, 13 March 2009 / Slide - 3



The worst crisis since the 1930s



Timeline of crises since 1961 (GDP Growth)



Source: AEA research, IMF data

Workshop on Airport Charges – Tor Vergata, 13 March 2009 / Slide - 4

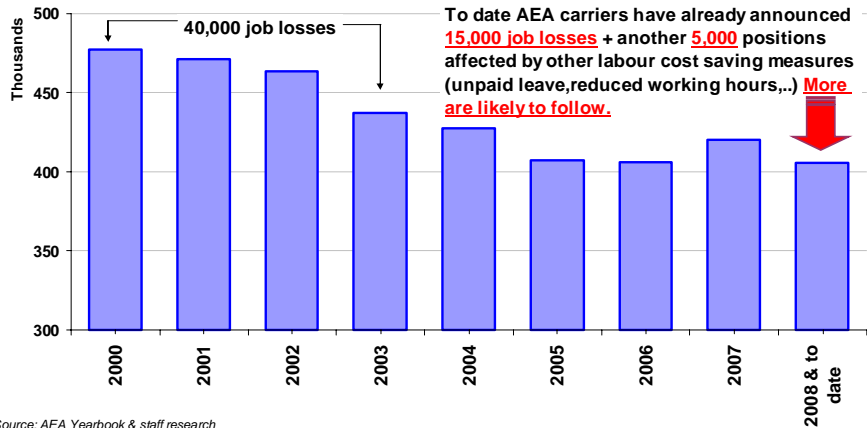


Employment: 15,000 jobs lost already



Further Job Losses are inevitable

AEA Carriers' total FTE count to 2007, announced cuts through 2008 to date



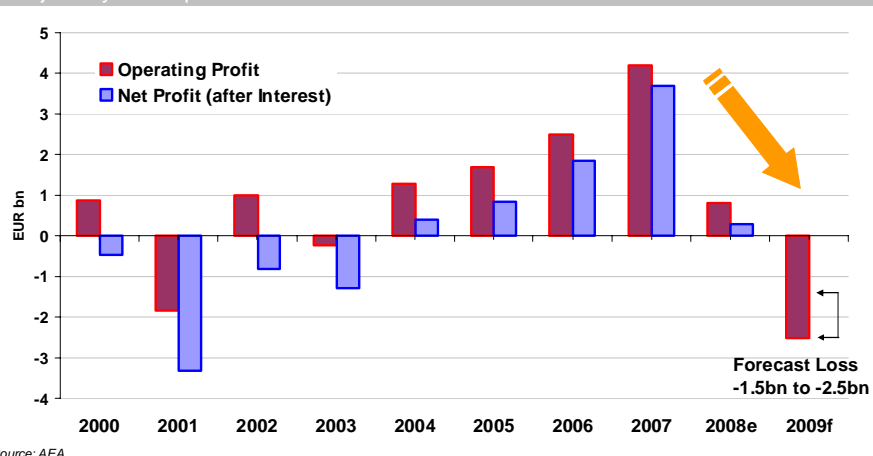
Workshop on Airport Charges – Tor Vergata, 13 March 2009 / Slide - 5



AEA Airline financial outlook is dismal



AEA Airlines will once again post losses in 2009 after just 5 years of profits



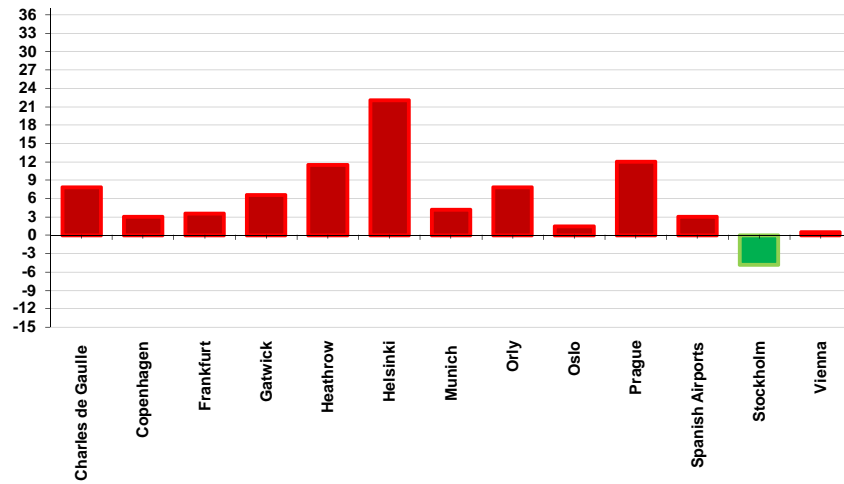
Workshop on Airport Charges – Tor Vergata, 13 March 2009 / Slide - 6



Airport Charges developments



Imposed Airport Charges for 2009



Workshop on Airport Charges – Tor Vergata, 13 March 2009 / Slide - 7



Now ...



**“Bukhra?
Ba-ath Bukhra!”**

Workshop on Airport Charges – Tor Vergata, 13 March 2009 / Slide - 8



Great potential of the ACD



- Application of ICAO Policies to larger airports
- National Independent Supervisory Authority with “teeth”
- Non-discrimination
- Adequate transparency and consultation
- Cost effectiveness
- Pre-financing only under ICAO Policies
- Member States to decide on “till”



Workshop on Airport Charges – Tor Vergata, 13 March 2009 / Slide - 9



Key is the transposition and implementation



- **Economic regulation:**
 - Non-discrimination
 - Compulsory procedure for regular consultation
 - Changes to charges only in agreement
 - Facilitate transparency by both airlines and airports
 - Procedures for disputes
 - “Till”
 - Pre-financing
- **National Independent Supervisory Authority:**
 - Ministry of Finance, Transport, Economic Affairs
 - Civil Aviation Authority, Government Agency
 - Competition Authority
 - Lodging appeal with courts



Workshop on Airport Charges – Tor Vergata, 13 March 2009 / Slide - 10



Crisis measures Airport Charges



➤ Member States to ensure:

- A full freeze of airport charges at the levels of 1st January 2009, for the duration of at least two upcoming and consecutive IATA seasons.

➤ Commission to act:

- Adoption of a Communication to urge the Member States to act as if the ACD were already transposed;
- And to include and implement all necessary provisions.

- ❑ **AEA requests that the Member States, Commission and airports abolish the 'cost recovery rule' immediately where it is applied**

Workshop on Airport Charges – Tor Vergata, 13 March 2009 / Slide - 11



athar.husain-khan@aea.be

